

# DEPARTMENTAL OVERVIEW

# BUDGET OVERVIEW FOR 2004



*All of us should dedicate ourselves to great goals: We are not here to mark time, but to make progress, to achieve results, and to leave a record of excellence.*

*President George W. Bush, October 15, 2001*

Partnering with States, Tribes, insular areas, local communities, and citizens, the Department of the Interior delivers services that promote resource protection, ensure responsible access to resources on the Nation's public lands, provide opportunities for recreation, and honor the special responsibilities of the Secretary of the Interior to American Indians and island communities. These services contribute to environmental quality, economic dynamism, and the well-being of tribal and other communities.

**The Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors special responsibilities and commitments to American Indians, Alaska Natives, and affiliated Island Communities.**

To guide delivery of these services, the Department has drafted a new strategic plan. Completed after a year of consultation with partners and stakeholders, the draft plan presents a unified vision for Interior. That vision is the foundation for an integrated approach to program implementation, management reform, and budget formulation. The 2004 President's budget request aligns with the new strategic plan's four strategic mission components: Resource Protection, Resource Use, Recreation, and Serving Communities.

## HEALTHY LANDS, THRIVING COMMUNITIES

Inspired by the President's call for a new environmentalism, the Department's new strategic plan promotes a citizen-centered vision for conservation. Secretary Norton's Four C's – conservation through cooperation, communication, and consultation – exemplify this new environmentalism. This vision is a clarion call for a Nation of citizen stewards – citizens, organizations, and communities working with Federal, State, tribal, and local governments to take care of our lands. Enduring conservation requires innovation – in technologies and in partnerships. It requires engaging the ideas and information of local communities where people live on, love, and know well the textures and rhythms of the lands and waters. It requires partnerships to help integrate decisions about challenges and problems that cross jurisdictional boundaries. Above all, it requires reaching out through incentives to build upon the citizen stewardship that lies at the heart of enduring conservation. The Department of the Interior's 2004 budget reflects this vision.

The 2004 budget proposes creative approaches that will empower citizen stewards to conserve and protect natural resources while also achieving important community and economic goals. Interior's Western Water initiative funds innovative solutions to improve water management. The Cooperative

*When government and landowners and conservationists and others work together, we can make dramatic progress in preserving the beauty and the quality of our environment.*

*President George W. Bush, December 2, 2002*

*The key to our success is the strength of our partnerships and our commitment to collaboration.*

*Secretary Gale A. Norton, January 8, 2003*

Conservation Initiative provides new incentives and tools for community-based programs that apply the ingenuity of citizen stewards. In addition, local communities and citizens will have access to funding through a broad array of grant and other partnership programs that will leverage funding and in-kind efforts to restore wildlife habitat, conserve endangered species, and achieve conservation results. The 2004 budget also expands opportunities for volunteers to contribute to the conservation of resources in parks, refuges, and public lands.

## THE NUMBERS

Interior's 2004 budget request is for \$10.7 billion in current appropriations. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$3.0 billion, for a total 2004 Interior budget of \$13.7 billion.

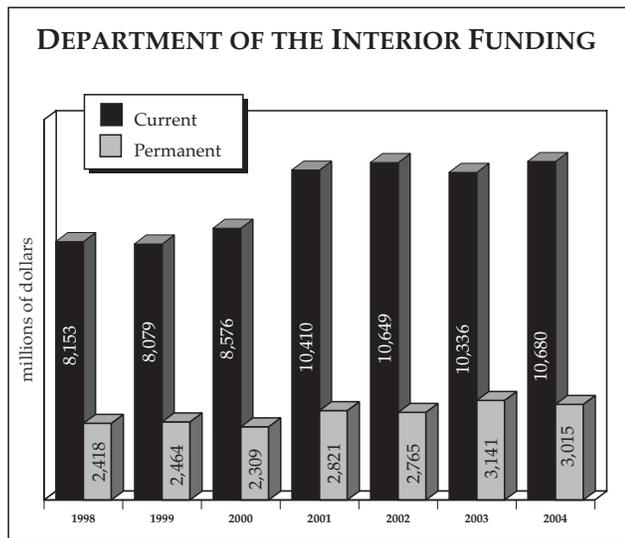
The 2004 current appropriations request represents an increase of \$344.1 million, or 3.3 percent, from the 2003 President's budget request.

For 2004, the budget request increases funding in programs in the Interior and Related Agencies Appropriations Act by \$319.0 million, or 3.4 percent, over the 2003 President's budget. The 2004 request is \$268.5 million above the 2002 enacted appropriation level.

The Bureau of Reclamation and the Central Utah Project, funded in the Energy and Water Development Appropriations Act, are increased by \$25.1 million, 2.8 percent above the 2003 President's budget. The 2004 request is \$237.8 million less than the 2002 enacted appropriation level, which included emergency funding to respond to the increased terrorism threat and one-time Farm Bill funding of \$200.0 million for at-risk, natural desert terminal lakes.

The 2004 budget proposal maintains a robust funding level compared with funding levels in relatively recent years for Interior. The proposal is 24.5 percent higher than the 2000 appropriations level of \$8.6 billion.

Receipts collected by the Department in 2004 are projected to be \$7.8 billion, equivalent to 73 percent of Interior's current appropriations request.

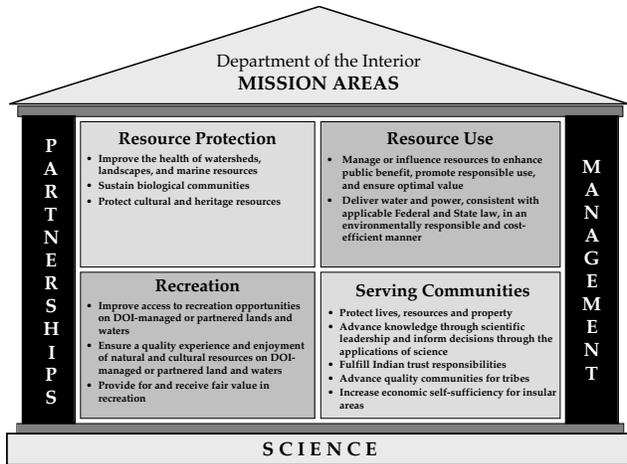


## SUPPORTING THE DEPARTMENT'S MISSION

The Department's 2004 budget request of \$10.7 billion aligns with the four strategic mission components as follows:

**Resource Protection** – The budget includes \$2.6 billion for resource protection, which will be invested in programs that can improve the health of landscapes and watersheds, sustain biological communities, and protect cultural and natural heritage resources, including advancing the

# MAJOR INITIATIVES IN THE 2004 BUDGET

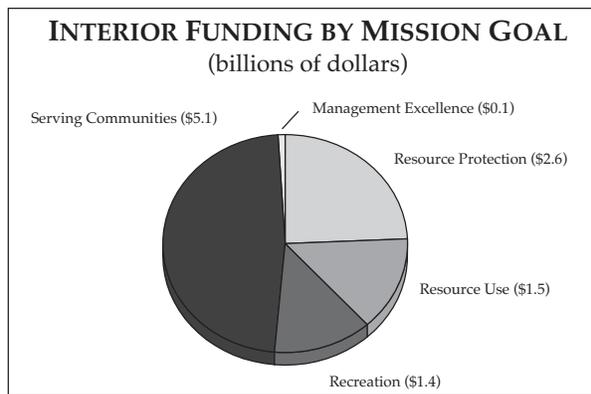


President's commitment to overcoming the maintenance backlog in national parks.

**Resource Use** – The 2004 budget proposes \$1.5 billion to better meet increasing demands for water resources and to implement important components of the President's National Energy Policy.

**Recreation** – The 2004 budget proposes \$1.4 billion in recreation investments that improve access to recreational opportunities and fully fund the Land and Water Conservation Fund.

**Serving Communities** – The 2004 budget includes \$5.0 billion for serving communities, increasing efforts to fulfill responsibilities for trust management, improving services to Tribes and individual Indians and meeting the President's commitment to eliminate the Indian school maintenance backlog and improve Indian education, strengthen the Wildland Fire program and law enforcement, and provide scientific knowledge, information, and tools for informed decision making.



**Trust Programs** – Of the Department's 3.3 percent funding increase, approximately one-half is devoted to Indian trust programs. The budget provides \$168.5 million in new funding to support the Department's plan to reform management of its fiduciary obligations to Tribes and individual Indians. Increases include \$15.0 million to support reorganization of trust functions, providing an organization that meets fiduciary standards, is accountable at every level, and is staffed with people trained in the principles of trust management; \$29.5 million to rebuild the Bureau of Indian Affairs' information technology infrastructure to support trust, as well as non-trust, programs; \$4.5 million to accelerate a new strategy to administer, manage, search, retrieve, and store BIA's records; and a \$7.6 million increase for natural resource programs on trust lands. An increase of \$112.5 million for the Office of Historical Trust Accounting will provide \$100.0 million to carry out the Department's plan to conduct a historical accounting for individual Indian money accounts and \$30.0 million to account for funds in tribal accounts. An additional \$13.0 million for Indian land consolidation will expand pilot efforts to reduce the fractionation of individual land ownership interests into a nationwide program.

**Cooperative Conservation** – The 2004 budget continues the Secretary's vision of cooperative conservation through a revised Cooperative Conservation Initiative. The 2004 program, funded at \$113.2 million, recognizes Interior's long history of working in partnership with others to achieve its conservation mission. This year's initiative builds on existing conservation partnership programs and will provide new and expanded opportunities for landowners, land managers, and others to participate in projects that foster innovation and create incentives for stewardship. CCI programs include the challenge cost-share programs of the Bureau of Land Management, the national wildlife refuge system, and the National Park Service; and the Fish and Wildlife Service Partners for Fish and Wildlife, Coastal, and Migratory Bird Joint Ventures programs. CCI also provides funds for the public lands volunteers program.

**Western Water** – A water initiative in the Reclamation budget will help to develop solutions to

**BUDGET AUTHORITY AND RECEIPTS  
FOR 2002, 2003, AND 2004**  
(in millions of dollars)

	<u>2002</u> <u>Actual</u>	<u>2003</u> <u>Budget</u>	<u>2004</u> <u>Request</u>	<u>Change</u> <u>from 2003</u>
<b>BUDGET AUTHORITY</b>				
Total Current Appropriations .....	10,649	10,336	10,680	+344
Permanent Appropriations .....	<u>2,765</u>	<u>3,141</u>	<u>3,014</u>	<u>-127</u>
Total .....	13,414	13,477	13,694	+217
<b>RECEIPTS</b>				
Outer Continental Shelf .....	5,024	4,300	3,989	-311
Interest on OCS Receipts .....	1	0	0	0
Onshore Mineral Leasing .....	1,398	1,864	1,807	-57
Other Receipts .....	<u>1,915</u>	<u>2,104</u>	<u>2,019</u>	<u>-85</u>
Total .....	8,338	8,268	7,815	-453
<i>[Offsetting receipts included in above] .....</i>	<i>[2,690]</i>	<i>[3,380]</i>	<i>[3,230]</i>	<i>[-150]</i>

*Note: Numbers may not add due to rounding.*

increasing demands for limited water resources, especially in the West. The budget proposes \$11.0 million in new funding to: develop pilot projects that demonstrate how to prevent crisis-level water conflicts in the West; expand the use of science to improve desalination technology, promote adaptive management of watersheds, and fund peer review of Endangered Species Act consultations; design water management programs that address environmental needs on a basin-wide scale; and train Reclamation employees to help them better carry out the ESA as it relates to Federal actions. The initiative is expected to benefit communities currently struggling with increased water demands, drought, and compliance with the Endangered Species Act.

**Taking Care of Parks** – The budget continues the President’s commitment to address the deferred maintenance backlog in national parks, with \$705.8 million invested in park facilities in 2004. This includes increases of \$7.8 million for the park base to address facility maintenance, \$9.0 million for cyclic maintenance projects, and \$8.2 million for the repair and rehabilitation program, including condition assessments. In addition to the \$705.8 million, the President’s budget also proposes a

dramatic increase in park road funding, from \$165 million under the currently authorized Transportation Equity Act for the 21<sup>st</sup> Century, to \$300.0 million in 2004, which is the first year of TEA-21’s successor authorization. This proposed funding level will increase to \$320.0 million by the third year, and remain at that level throughout the lifetime of the authorization.

As discussed below, the NPS budget also includes increases for the Natural Resource Challenge and park operations.

**Natural Resource Challenge** – An increase of \$8.5 million is requested for the fifth year of the NPS Natural Resource Challenge, which scored well in the Program Assessment Rating Tool review. This program will continue to bolster sound natural resource management practices in national parks by protecting native species and habitats; monitoring the health of natural resources, eradicating exotic species, and sharing information about natural resources with the public. Activities funded by this increase will include \$7.9 million for vital signs monitoring, which indicate the health of park ecosystems and plant and animal species, and \$600,000 for water quality monitoring to pre-

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serve pristine park waters and to improve impaired park waters. Cumulative increases in Natural Resource Challenge funding will total \$104.5 million over three years, based on increases provided over the 2001 level.

**Indian Education** – The budget request also includes \$292.6 million in school construction funds for a minimum of seven replacement school projects, and for improvement and repair projects in the Indian school maintenance backlog. The President's goal is to eliminate the backlog by 2006. The budget request for Indian education also continues the President's commitment to "Leave No Child Behind" and to repair and replace unsafe schools. The \$528.5 million school operations budget request includes an increase of \$3.0 million in administrative cost grants to encourage more Tribes to exercise their authority to operate BIA schools by providing full funding for start-up costs for the first year of tribal operation of bureau-operated schools.

**Wildland Fire** – The 2004 budget includes a total of \$698.7 million for the wildland fire management program, a \$45.0 million increase over the 2003 request. Major changes from the 2003 level include an increase of \$35.0 million for suppression operations that will fully fund this activity at the 10-year average. An increase of \$5.0 million is proposed for preparedness to address rising aviation contract costs. The request also includes a \$4.5 million increase for burned area rehabilitation to begin to convert fire-damaged lands into healthy fire-adapted ecosystems. The request continues funding for reducing hazardous fuel loads at \$186.2 million to treat 1,075,000 acres of land. Fuels reduction in forests also supports the President's Healthy Forests initiative.

**Energy Development** – The 2004 budget request includes a net increase of \$3.6 million for BLM energy-related programs, including expanded energy development on the Alaska North Slope. This increase will also ensure environmentally sound oil and gas exploration and development, support the development of renewable energy on public lands, and accelerate the processing of applications for permits-to-drill.

The budget for the Minerals Management Service proposes a program increase of \$4.8 million to meet increased workload brought about by the demand for Outer Continental Shelf program services, to employ innovative business processes

and advances in electronic technology in the offshore program, and to investigate the energy resource potential found in methane hydrate formations. The MMS will also invest \$3.0 million to operate and maintain its minerals revenue management and royalty-in-kind systems.

The U.S. Geological Survey will continue to provide scientific information that is an important component to the President's vision for improved energy security by focusing research on emerging energy sources. The 2004 request includes \$1.5 million in base funding for emerging methane hydrate resource projects in Alaska and the Gulf of Mexico conducted collaboratively with MMS, as well as studies of hydrate occurrence and release in marine environments.

The 2004 BIA request includes a \$2.0 million increase for grants to Tribes to evaluate mineral resource potential on tribal trust and restricted lands. The request also includes \$1.0 million to help Tribes expedite the development of tribal regulations governing mineral leasing and permitting, and rights-of-way of tribal lands required under the Energy Policy Act of 2002.

**Refuge Centennial** – March 14, 2003 marks a milestone in the history of wildlife conservation in America — the centennial anniversary of the national wildlife refuge system. The 2004 budget builds on last year's historic \$56.5 million budget increase for the national wildlife refuge system by requesting a total of \$402.0 million for refuge operations and maintenance, an increase of \$25.5 million over 2003.

**Conserving America's Fisheries** – The 2004 budget enhances the Federal contribution to aquatic resource conservation partnerships, by providing an \$8.8 million net increase for the FWS fisheries program. The request includes an \$8.0 million increase for the national fish hatchery system for implementing endangered species recovery and restoration tasks; advancing shared applied science; and completing 59 deferred maintenance projects. The increase also includes a \$1.0 million increase to combat aquatic nuisance species, part of a larger, coordinated inter-departmental effort.

**Invasive Species** – The Department is participating in an interagency performance budget on invasive species coordinated by the National Invasive Species Council. The performance budget links spending levels with levels of performance.

The 2004 budget proposes increases of \$9.0 million for Interior's portion in this interagency effort. The increase will allow Interior to participate in the control and management of tamarisk and giant salvinia in the southwest in cooperation with U.S. Department of Agriculture; to conduct ballast water research in conjunction with the National Oceanic and Atmospheric Administration; to control and eradicate nutria in the Chesapeake Bay and in Louisiana with the U.S. Forest Service; to plan for early detection and rapid response to eradicate outbreaks of sudden oak death in eastern hardwood forests of the central Appalachian Mountains; to work with Agriculture's research agencies on an all-toxa identification and monitoring system; to partner with the Army Corps of Engineers to keep invasive fish from using the Chicago Ship and Sanitary Canal to invade the Great Lakes; and to develop a marine invasive species early detection warning system in consultation with NOAA. The Department will use some of this funding to treat almost 60,000 acres of tamarisk and giant salvinia, to initiate two research projects to improve nutria control, and to develop a web-based guide on invasive species information. Appendix H includes a detailed table on invasive species funding.

**Recreation** – The 2004 request includes a number of investments in BLM, NPS, and FWS programs to improve access to Interior lands and enhance recreational opportunities and experiences at parks, refuges, and on public lands, while protecting vital natural and cultural resources.

A net increase of \$5.2 million will enable BLM to continue providing environmentally sustainable recreation opportunities and enhance public health and safety for the growing number of outdoor enthusiasts who utilize BLM administered lands for a variety of purposes. The BLM will address transportation and access needs and challenges, and expand interpretive and other visitor services. The funds will also support greater outreach and consultation efforts to help BLM resolve user conflicts in the face of this growing visitation.

**Information Technology** – Department-wide efforts in centralizing and consolidating information technology activities, combined with targeted reductions to eliminate duplication are expected to achieve savings. Reflecting these efforts, the 2004 budget includes a Department-wide reduction of \$56.2 million in information technology. The budget includes \$13.8 million to begin a multi-

## SUMMARY OF MAJOR CHANGES

(current budget authority in millions of dollars)

### INTERIOR AND RELATED AGENCIES

2003 President's Budget .....	9,444.7
BLM Wildland fire program .....	+45.0
Recreation ( <i>net</i> ) .....	+5.2
National energy plan ( <i>net</i> ) .....	+3.6
Land acquisition .....	-21.0
MMS MRM upgrades / ops support .....	+3.0
OMM streamlining .....	-3.6
RIK liquids management system .....	-6.0
USGS Water programs .....	+22.3
Biology programs .....	+8.4
Geology programs .....	-3.1
National mapping programs .....	-8.8
FWS Refuge operations & maintenance .....	+25.5
Partners for fish & wildlife program ( <i>net</i> ) ..	+9.1
Fisheries .....	+8.8
North American wetlands conservation ...	+6.0
Endangered species listing .....	+3.2
Migratory bird joint ventures .....	+2.9
Landowner Incentive .....	-10.0
CCI challenge cost share .....	-13.0
Land acquisition .....	-29.6
NPS Repair / Rehab & cyclic maintenance .....	+17.2
Park base increases .....	+14.2
Narrowband radios .....	+8.0
Natural resource challenge .....	+8.5
CCI challenge cost share .....	-8.0
Federal land acquisition .....	-7.4
State grants .....	-40.0
BIA Information technology .....	+29.5
Indian land consolidation new funding ....	+13.0
Detention centers .....	+10.0
Resource management ( <i>trust related</i> ) .....	+7.6
OST Historical accounting .....	+112.5
New trust organization .....	+15.0
Records management .....	+4.5
Other	
Fixed cost changes ( <i>funded within budget</i> ) ...	[+77.0]
Payment in Lieu of Taxes .....	+35.0
Financial and Business Mgmt. System .....	+13.8
IT Security .....	+13.0
Insular Affairs: Federal services .....	-4.6
IT efficiency .....	[-56.2]
All other net changes .....	<u>+29.3</u>
<b>2004 Budget Request .....</b>	<b>9,763.7</b>

### ENERGY AND WATER DEVELOPMENT

2003 President's Budget .....	891.1
Central Valley Project .....	+20.2
Animas La Plata project .....	+25.0
Water initiatives .....	+11.0
Klamath project .....	+6.6
All other net changes .....	<u>-37.7</u>
<b>2004 Budget Request .....</b>	<b>916.2</b>

**Total 2004 Budget Request .....** **10,679.9**

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year project to replace the Department's financial systems with a single business system that provides access to improved financial and management information; integrates financial, procurement, property, and other systems; and results in more efficient and productive operations. In order to bring Interior's information systems into compliance with accepted security requirements, an increase of \$13.0 million is requested for certification and assessment activities.

## **OTHER MAJOR CHANGES BY BUREAU**

### **BUREAU OF LAND MANAGEMENT**

The budget proposes \$934.8 million for BLM's two operating accounts, an increase of \$16.1 million over the President's 2003 request.

In addition to the \$5.2 million increase for recreation discussed above, the 2004 request includes a net increase of \$3.6 million to facilitate increased, environmentally sound, energy production on public lands. The budget includes an increase of \$2.3 million for natural and cultural resource protection enhancements, plus an additional \$1.5 million in monitoring and planning efforts to support the goal of improved resource protection.

The \$23.7 million request for land acquisition will fund 18 projects in 10 States. This is a decrease of \$21.0 million below the 2003 request, reflecting the Department's effort to focus more funds on caring for lands currently under its management. The BLM will continue to emphasize alternatives to fee title purchase, such as conservation easements, land exchanges, and other tools.

The 2004 budget proposes to fund BLM construction at \$11.0 million, the same level as the 2003 President's budget. The budget will fund 30 projects in nine States.

### **MINERALS MANAGEMENT SERVICE**

The budget proposes \$171.3 million for MMS programs in 2004, a net increase of \$1.0 million. An additional \$100.2 million collected from Outer Continental Shelf rents and other fee sources funds MMS operations in 2004. Together with current

appropriations, this will provide \$271.5 million in total funding.

In addition to the increases for OCS management and minerals revenue management systems requirements discussed above, the 2004 request for the Royalty and Offshore Minerals Management account includes an increase of \$645,000 to address information technology security requirements and \$600,000 to protect offshore platforms and onshore MMS facilities. Within the Oil Spill Research account, MMS requests an increase of \$1.0 million to replace equipment and for increased operational costs at the National Oil Spill Response Test Facility.

### **OFFICE OF SURFACE MINING**

The budget proposes \$281.2 million for OSM programs in 2004. The budget for the Regulatory and Technology program totals \$106.7 million, a level that will allow the States and Tribes to maintain 94 percent of mine sites free from offsite impacts. The Abandoned Mine Land Reclamation program is funded at \$174.5 million, of which \$142.1 million will be provided in State and tribal reclamation grants. These funds will result in the reclamation of 6,900 acres of disturbed land and other hazards that threaten human health and welfare and environmental quality.

### **BUREAU OF RECLAMATION**

The Reclamation budget request is \$878.0 million, a \$23.1 million increase from the 2003 President's budget. This increase includes \$11.0 million for the Western Water initiative discussed above.

The budget includes \$58.0 million for the third year of the Animas La Plata project for continued implementation of the Colorado Ute Settlement Act. This is a net increase of \$25.0 million from the 2003 budget. Several facilities will be constructed and mitigation projects initiated for fish, wildlife, wetlands, and cultural resources.

The Reclamation budget puts increased emphasis on resolving water management issues in several western States that involve endangered species. The Klamath Project is funded at \$20.8 million, the Columbia/Snake salmon recovery project is funded at \$19.0 million, and the Middle Rio Grande Project is funded at \$17.4 million. Collectively,

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these increases are \$12.5 million above the President's 2003 request. The 2004 budget also expands research to reduce the cost of desalination as a potential cost-effective method for providing water to rural communities and Tribes.

The 2004 request for the Central Valley Project is \$170.1 million, which includes an increase of \$13.0 million for the CVP Replacements, Additions and Extraordinary Maintenance program. The CVP request also includes \$34.0 million for Reclamation expenses related to settlement of a lawsuit with the plaintiffs in *Sumner Peck Ranch, Inc. v. Bureau of Reclamation*.

The budget request for Title XVI Water Reclamation and Reuse is \$12.8 million, which is an increase of \$1.2 million (based upon the offsets contained in the 2003 budget amendment for Sumner Peck). The request for rural water supply projects is \$32.3 million, a reduction of \$36.5 million from the President's 2003 request. This reduction in rural water is supported by the OMB Program Assessment Rating Tool process that questions the role of Reclamation in water reuse and recycling research.

## U.S. GEOLOGICAL SURVEY

The budget request for USGS is \$895.5 million, an increase of \$28.2 million over the 2003 President's budget. Many of the increases in the 2004 request are offset by a decrease of \$9.1 million for lower-priority mineral research and assessment.

The budget proposes an increase of \$3.0 million to continuing to provide science for the Department's bureaus. This program will provide dedicated funds for enhanced earth and biological sciences support to meet regional priorities designated by the Interior bureaus, with an emphasis on cost-sharing and other partnership opportunities to leverage funds.

The budget proposes \$120.5 million for the National Mapping program. This funding level includes increases of \$3.0 million for America View and \$800,000 for Urban Dynamics, to assess the impacts of urbanization on the surrounding environment. These increases are offset by reductions of \$4.4 million reflecting a greater reliance on State and local governments to provide geographic data, and \$1.4 million in savings resulting from the transfer of functions from the Center for Inte-

grated Disaster Information, and \$2.8 million in lower priority mapping research that will be brought to an end.

The 2004 budget proposes \$200.1 million to continue important water resources work performed by USGS. This includes increases of \$11.0 million for the Toxic Substances Hydrology program and \$6.3 million for the National Water-Quality Assessment program.

The request for the USGS portion of the invasive species work in 2004 is \$4.0 million. This includes research funding for control and management of tamarisk in the Southwest; conducting ballast water research, the control and eradication of nutria in the Chesapeake Bay and in Louisiana; and development of invasive species information for the National Biological Information Infrastructure.

A \$4.5 million increase is proposed in order to proceed with the current continuum of geologic maps that depict the distribution of the Nation's sediment and rocks and the resources they provide within the National Cooperative Geologic Mapping program. The request also includes \$4.0 million to become compliant with the narrowband radio requirements.

## FISH AND WILDLIFE SERVICE

The budget request for FWS's principal operating account, Resource Management, is \$941.5 million, an increase of \$37.9 million over the President's 2003 request. In addition to the increases for refuges and fisheries discussed above, the budget includes increases of \$9.1 million for the Partners for Fish and Wildlife and \$2.9 million for Migratory Bird Joint Ventures programs, both components of the Cooperative Conservation Initiative. The request also includes an increase of \$3.2 million for the Endangered Species Act listing program to meet litigation driven workloads. These increases are offset by reductions of \$8.1 million to reform information technology investments and \$3.4 million in travel and relocation costs.

The FWS budget request for land acquisition is \$40.7 million, a decrease of \$29.6 million from the 2003 President's budget request, reflecting the Department's focus on targeting funds to caring for lands currently managed by Interior. The request supports acquisition at 21 projects located in 15 States.

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The budget includes an increase of \$6.0 million for the North American Wetlands Conservation Fund. Together with funding from permanent appropriations, \$73.5 million will be available for the program for wetlands conservation activities in 2004. The request for the Cooperative Endangered Species Conservation Fund is \$86.6 million, a reduction of \$2.3 million from the President's 2003 request. At this funding level, \$67.8 million is provided for recovery and habitat conservation plan land acquisition, and funding for habitat conservation plans planning assistance is increased by \$2.1 million. Finally, the request for the Landowner Incentive program is reduced by \$10.0 million to the 2002 enacted level of \$40.0 million.

### **NATIONAL PARK SERVICE**

The budget request for the NPS primary account, Operation of the National Park System, is \$1.6 billion. The request is a net increase of \$47.3 million above the President's 2003 request.

In addition to 2004 budget increases for Natural Resource Challenge and maintenance that are discussed earlier in this chapter, the operating account includes \$14.2 million for specific park operational increases, including \$2.5 million which will enhance law enforcement operations at seven park units located on international borders with Canada and Mexico.

The 2004 request for conversion to a narrowband radio system is \$23.6 million. This is an increase in funding of \$8.0 million above the President's 2003 request. The budget also provides an increase of \$2.1 million for line-item construction.

The Land Water Conservation Fund State assistance funding is reduced by \$40.0 million in the 2004 request. However, basic formula grants to States will increase by \$10.0 million; the \$50.0 million discretionary grants program proposed last year is not reproposed. An additional decrease from the President's 2003 request is a reduction of \$7.4 million in Federal land acquisition, reflecting Interior's focus on caring for lands currently managed by the Department.

### **BUREAU OF INDIAN AFFAIRS**

The BIA budget proposal is \$2.3 billion, a net increase of \$62.0 million above the President's

2003 request. This includes trust program increases of \$47.8 million or almost 21 percent. Detailed changes for Indian education and trust improvements are discussed earlier in this chapter.

The 2004 budget request also includes program increases of \$10.0 million to operate new detention centers, \$7.6 million for enhanced resource management programs related to trust assets discussed earlier, \$2.5 million as part of the Department-wide IT security initiative, and \$1.0 million to expand the guaranteed and insured loan program by 18 percent to enhance economic development in Indian Country.

The 2004 budget for land and water settlements is decreased by \$6.6 million reflecting a reduction for settlements anticipated for completion in 2003. The Bureau's budget includes offsetting increases of \$6.7 million to complete payment on the Santo Domingo Pueblo settlement and \$10.0 million for the first payment on the recent Cherokee, Choctaw, and Chickasaw settlement.

In addition, the budget also proposes a transfer of \$16.2 million from the Facilities Improvement and Repair program to the Replacement School Construction program as it is more efficient and cost-effective to replace some school facilities than to make major repairs.

### **OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

The OST 2004 budget proposal is \$274.6 million, a net increase of \$123.6 million from the President's 2003 budget request, or an increase of 82 percent. In addition to the major funding increases for trust-related activities discussed earlier, the 2004 budget includes a program increase of \$2.5 million for required court fees, attorney's costs, and continued significant document production and related costs.

### **OFFICE OF INSULAR AFFAIRS**

The budget proposal for OIA is \$87.5 million in current funding. This funding level includes a transfer of \$4.6 million to the National Weather Service and the Federal Aviation Administration to allow for greater control and accountability of the services being provided to the insular areas in the Pacific.

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## DEPARTMENTAL MANAGEMENT

The 2004 budget request for DM is \$297.1 million in current funding. This includes \$200.0 million for the Payments in Lieu of Taxes program which represents a \$35.0 million increase for PILT over the 2003 request level. In 2004, the Department proposes to shift this program from the Bureau of Land Management to Departmental Management.

## MANAGEMENT EXCELLENCE

The Secretary's vision for citizen-centered government incorporates a strategic approach to management to guide the achievement of the Department's strategic mission that includes resource protection, resource use, recreation, and serving communities. The framework for realizing this vision includes key business principles to ensure that activities are citizen-centered and efficient, accountable for results, employing modern technology, and integrated to avoid duplication and enhance customer service.

The 2004 request will improve citizen service through achievable results, including information technology reforms, implementation of a Department-wide business system, and IT security certification and assessment discussed earlier. In addition, the 2004 budget request proposes:

- \$1.0 million for implementation of an effective human capital strategy based on the Department's *Strategic Human Capital Management Plan*. Implementation

will address challenges such as those created by the loss of critical skills and knowledge due to anticipated retirements with a Department-wide approach to training and career-development programs, recruitment, orientation, and performance management;

- \$605,000 for a comprehensive, Department-wide approach to improve the accountability and the effectiveness of programs using program performance information and existing external and internal program reviews; and
- \$400,000 to improve the Office of Law Enforcement and Security's capability to manage critical assets such as dams, national monuments, and icons working in collaboration with the Department of Homeland Security.

## RECEIPTS

The Department projects that it will collect \$7.8 billion in receipts in 2004. This is a decline of about five percent from estimated 2003 receipts, primarily due to lower oil and gas price assumptions.

The largest share of receipts collected by Interior, \$2.9 billion, goes to the general fund of the Treasury. An additional \$900 million goes to the Land and Water Conservation Fund. Receipts shared with the States include \$888 million in mineral revenue payments and \$575 million in aid for fish and wildlife restoration.

## DEPARTMENT OF THE INTERIOR FACTS

- **Land** – Interior manages 507 million acres or about one-fifth of the land area of the United States and 700 million acres of subsurface minerals. The Department has jurisdiction over an additional 1.76 billion acres of the Outer Continental Shelf.
- **Parks, Refuges, Public Lands** – Interior manages 387 units of the national park system, 540 national wildlife refuges, 69 national fish hatcheries, and 13 national conservation areas and 15 national monuments in the national landscape conservation system.
- **People** – Interior has over 70,000 employees located in approximately 2,400 locations across the United States, Puerto Rico, U.S. Territories, and freely associated states.
- **Volunteers** – Interior benefits from over 200,000 volunteers who provide in excess of seven million hours of service, valued at over \$95 million per year.
- **Youth Programs** – Interior employs over 4,000 youth in youth-related programs annually. Since 1970, the Department has used the Youth Conservation Corps to employ young adults ages 15-18.
- **Revenues** – Revenues collected annually vary from \$6 to \$11 billion, including revenues from energy, minerals, grazing, timber, lands sales, and other revenue producing activities.
- **Water** – The Department is the largest supplier and manager of water in the 17 western States. Reclamation manages 456 dams and 348 reservoirs that deliver irrigation water to 31 million people and one out of every five western farmers irrigating 10 million acres of farmland.
- **Energy** – Interior manages lands, subsurface rights, and offshore areas that produce approximately 28 percent of the Nation's energy, including 35 percent of natural gas, 29 percent of oil, 35 percent of coal, 17 percent of hydropower, and 40 percent of geothermal.
- **Visitation** – Annually, over 60 million visits are made to BLM public lands, 280 million visits to national park units, and 39 million visits to national wildlife refuges. In addition, there are 90 million visitor days of use at Reclamation recreation sites.
- **American Indians** – The Department maintains relationships with 562 federally-recognized Tribes in the lower 48 States and Alaska, and provides support to a service population of 1.2 million people. The BIA provides education services to nearly 48,000 students in 23 States attending 185 elementary and secondary schools and supports 25 tribally controlled community colleges.